



MINUTES

BOARD OF DIRECTORS WORK SESSION

Wednesday, September 13, 2023, 2pm

WC Auditorium / Zoom

Directors Present: Marge Garneau (President), Carol Crothers (Vice President), Bart Hillyer (Secretary) (left meeting at 3:23pm), Jim Carden (Treasurer), Barbara Blake (Assistant Secretary), Joe Magliola (Assistant Treasurer), Nancy Austin, Kathi Bachelor, Steve Gilbert, Bev Lawless, Richard Sutherland, Scott Somers (non-voting)

Absent Director: Beth Dingman

Staff Present: David Jund (Facilities Director), Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 8 including support staff

AGENDA TOPIC

1. Call to Order / Roll Call

Work Session Called to Order at 2:02pm by President Garneau. Secretary Hillyer called the role.

2. Amend / Approve Agenda

MOTION: Director Crothers moved, Director Blake seconded to approve the Agenda as presented.

Passed: unanimous

3. Board Affairs Committee (BAC) Proposed Bylaws Change

Director Crothers, Chair of BAC, gave an overview of the BAC proposed top five Bylaws with the main goal to make the Bylaws more understandable and to align with Arizona Nonprofit Law. The first of the top five is Proposed Action #1 - Article VI Powers, Duties, and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness:

PROPOSED: Article VI Powers, Duties and Responsibilities of the Board of Directors, Section 2 Limits of Authority and Indebtedness to read: The Board of Directors is not authorized to enter into any contract for new or initiative-type Capital projects that requires an annual payment that exceeds ten twelve percent (10~~12~~%) of the annual budget latest audited approved annual net revenue (does not include investments). Any contract for new or initiative-type Capital projects requiring an annual payment that exceeds this figure ten twelve percent (10~~12~~%) of the annual budget latest audited approved annual net revenue, shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation. Contracts for unique projects may not be broken up so as to avoid the requirement of this section.

CURRENT Bylaws states: The Board of Directors is not authorized to enter into any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget. Any contract requiring an annual payment that exceeds ten percent (10%) of the annual budget shall only be valid if approved, in advance, by the affirmative vote of regular members representing a majority of the total

votes cast, provided that the total number of votes cast equals at least twenty percent (20%) of the total votes in The Corporation.

The Directors' discussed Article VI, Section 2 bringing forth these issues:

- Dollar amount of current cost of projections is higher due to inflation
- Include or not to include the CPI or COLA
- Include or not include investments in the calculation
- Increase from ten percent to 12 percent is a 20 percent increase in Board authority
- Change from annual budget(s) to latest audited approved annual net revenue
- Change the ten percent to either 12, 13 or 15 percent
- Include the calculated number as a line item in the audit for members to find easily

The CFO was asked to present to the Board at the upcoming Regular Meeting two numbers for the proposed Bylaw change: 1) approved annual net revenue, and 2) annual revenue of all income sources.

Discussion was held on Proposed Action #4 – Article II Membership Property and Members, Section 6 Voting Rights adding F:

PROPOSED ADD F: A GVR Member in good standing has the right to serve on the Board of Directors provided no other member of their household (whether related by marriage, cohabitation, or otherwise) is on the board during the same time period.

CURRENT Bylaws: No F

The Directors' discussed Article II, Section 6.F bringing forth these issues:

- Can this Bylaw be enforced?
- If two people are on the title then both can run for the Board

Discussion was held on Proposed Action #3 – Article IV Board of Directors, Section 1 Number of Directors:

PROPOSED: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of ~~twelve (12)~~ nine (9) voting members who shall be elected from the members of The Corporation ~~residing within the jurisdiction of GVR~~ who have voting rights as defined in Article II Section 6.

CURRENT: 1) Article IV, Section 1: The affairs of GVR shall be governed by a Board of Directors consisting of twelve (12) voting members who shall be elected from the members of The Corporation residing within the jurisdiction of GVR.

The Directors' discussed Article IV, Section 1 bringing forth these issues:

- Needs to be stated a level of residency within GVR jurisdiction
- State in the Bylaws a member must reside in Green Valley
- The Attorney's opinion on current Bylaws is the voting member must reside in GVR jurisdiction not an elected Board Director

4. Capital Improvement Policy Process

CEO Somers reviewed the Capital Improvement Policy Process. The Directors added these comments:

- Addressed whether the process will help alleviate one Board overturning a previous Board decision on a project. Staff stated this process helps to minimize turn overs by future Boards on current projects.
- The Capital Improvement Policy will begin as a pilot program.
- Include "Improvement" in the "Five-Year Capital Improvement Plan" (CIP). Some places "Improvement" has been left out.

- Suggested changes in the Assessment Form: 1) marketability and/or competitive advantage numbering from 0,3,6 to 0,1,3, 2) change for the interest level of improvement to the general membership change from 1,2,3 to 1,3,6. This change is to address the membership needs first. 3) Change in the long-term costs section from 4,3,2,1 to 4,2,0,0, and 4) the last question about adverse effect on another group or GVR members could be 2 or 3 instead of 1.

5. Committee Action Plans

- Planning and Evaluation Committee (P&E) asked to have the first bullet in the Timeline for Established Priorities be removed: "GVR Capital Improvement Project Policy and Process: Present to the Board at the September meeting." The second bullet needs to have "Improvement" added: "Five-Year Capital Improvement Plan (CIP)."

6. Adjournment

MOTION: Director Sutherland moved, Director Bachelor seconded to adjourn the meeting at 4:11pm.

Passed: unanimous